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COMMITTEE PRINT

AN IMPLEMENTATION STUDY OF THE SBA'S ENERGY LOAN PROGRAM

COMMITTEE ON SMALL BUSINESS
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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, D.C., June 8, 1982.

Hon. PARREN MITCHELL,
Chairman, Small Business Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: The attached document is a study of the energy loan program administered by the Small Business Administration. This report was prepared at my direction by the staff of the House Small Business Committee's Subcommittee on Energy, Environment and Safety.

The energy loan program was established in 1978 by Public Law 95–315. That statute required that the SBA provide Congress with a detailed annual report on the program, but the agency has failed to do so.

As this Subcommittee intends to hold oversight hearings later this year, our staff was instructed to conduct a study that would provide sufficient background information to allow us to conduct meaningful hearings. The attached document meets that need.

Copies of the attached document have been reviewed by all members of the Subcommittee. They have no objections to its being made public. It must be noted, of course, that this is a staff report only, and is not intended to take the place of a committee report that may follow our upcoming hearings.

The study conducted by the staff of the Energy Subcommittee is the only public report on the SBA energy loan program to date. As such, it will form an important focal point for our further oversight activities. For this reason, I ask that the report be printed as a Committee Print.

Sincerely,

BERKLEY BEDELL,
Chairman, Energy Subcommittee.

An Implementation Study of the SBA's Energy Loan Program

(Prepared by Marc H. Rosenberg, Subcommittee Staff Director)

ACKNOWLEDGMENTS

Special thanks is given to Neil Kerwin of the faculty of the College of Public and International Affairs of the American University and to Daniel Melnick of the Congressional Research Service at the Library of Congress for their guidance in the design of the questionnaire and the survey methodology used in this study. Invaluable assistance was provided by Clare Radcliffe of the Energy Subcommittee staff and by Hillel Sukenik of the House Information Systems office.

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I. INTRODUCTION AND BACKGROUND

Public Law 95-315 was enacted in 1978, creating within the Small Business Administration (SBA) a special small business energy loan program, often referred to as the 7(L) program. The purpose of the program is to make available both direct loans and loan guarantees to assist small businesses that are entering the alternative energy industry.

The most common forms of alternative energy today are solar (including photovoltaic electricity, solar hot water heating, solar space heating and cooling, and wind energy), renewable fuels (such as alcohol fuels and biomass conversion), and energy conservation. The SBA program is supposed to focus on small firms that are just entering this field, manufacturing or marketing new energy technologies, and which face higher than normal business risks.

Testimony presented at Congressional hearings prior to passage of the Small Business Energy Loan Act, P.L. 95-315, clearly shows that the SBA historically had resisted providing financial assistance to firms going into the alternative energy business. The agency also has a history of opposing virtually all categorical aid programs that have been assigned to it by the Congress.

Since the 7(L) program was established in 1978, the SBA twice has formally proposed to Congress that the program be abolished by merging it into the agency's general business loan program. The agenecy has issued fewer than 400 loans and

loan guarantees under the 7(L) program and has not yet complied with the statutory requirement for production of a detailed annual report on small business energy loans.

Other than a status report on the program, prepared in November 1980 by the SBA's Policy Analysis and Review Division for the agendy's internal use only, there has been no formal review of the small business energy loan program. With the program subject to annual authorization and under periodic attack from the agency responsible for its administration, Congressional oversight is appropriate. This study was undertaken in order to provide the Energy, Environment and Safety Subcommittee of the Small Business Committee in the House of Representatives with information that will be useful in conducting a review of the 7(L) program.

II. STATEMENT OF PURPOSE

The small business energy loan program, from its inception, has been somewhat of an unwelcome stepchild at the Small Business Administration. The SBA's lack of enthusiasm for categorical aid programs of any kind, coupled with its historic antipathy towards the alternative energy industry, provide ample reason to wonder how well the agency is fulfilling its Congressional mandate to foster the small business sector of the alternative energy industry.

A detailed annual report to Congress is mandated by P.L. 95-315. Absent that information, it is difficult to evaluate how well the small business energy loan program has met its objective of reducing our nation's consumption of fossil fuels while simultaneously promoting the entry of small businesses into the alternative energy industry.

It is possible, however, to evaluate the implementation of the law by surveying those small businesses that have come into contact with the 7(L) program. Not only would their comments be taken individually and cumulatively, but they also could be evaluated region-by-region.

This study provides the results of a client user/survey of the small business energy loan program. It provides the first public examination of the SBA's 7(L) program.

III. RESEARCH DESIGN AND METHODOLOGY

It is impossible to know who in the small business community investigated the 7(L) program and then chose not to enter it or who attempted to enter it but was rejected by the SBA. To the extent that such information exists, it would have to be dug out of individual files that are scattered across the country in dozens of SBA field offices. Consequently, it was decided to direct this study at those persons who had actually received a direct loan or a loan guarantee under the small business energy loan program.

The SBA's national headquarters maintains a computerized record of all those who have outstanding loans or loan guarantees under the 7(L) program. A printout of the 370 firms that entered the program between October 1, 1978, and August 31, 1981, was provided to the House Small Business Subcommittee on Energy.

Given the relatively small number of program participants, it was decided that the survey would be sent to 100% of those on the list. This eliminated the possibility of errors in sample selection.

A short questionnaire was designed, consisting primarily of multiple choice questions and discreet questions. These were followed by several open-ended questions intended to elicit written comments. See Appendix A for a sample copy of the questionnaire.

The survey was mailed to all 370 program participants in early January 1982. Each questionnaire was accompanied by an individually typed cover letter which was signed by

the chairman of the Small Business Subcommittee on Energy, Congressman Berkley Bedell (D-Iowa), and which explained that the information sought would be used by the Subcommittee in the course of its oversight of the 7(L) program. The letter asked that the completed surveys be returned by February 1. See Appendix B for the text of the cover letter.

In early February, those who had not yet returned the questionnaire were sent a follow-up memo, also from the Subcommittee chairman. It reminded them that the information would be helpful to the Subcommittee and offered to provide additional copies of the questionnaire if needed. See Appendix C.

70 completed questionnaires were returned before the first cut-off point. Following the mailing of the reminder letter, an additional 39 replies were received in time to be tabulated. In addition, two individuals sent letters commenting on the program but did not return the questionnaire. Mailings to 58 firms on the SBA printout were returned as undeliverable. Thus, a total of 121 replies were received out of a universe of 312 reachable program participants. The geographic distribution of the survey respondents roughly parallels the distribution of the population of program participants.

IV. SURVEY RESULTS

General Findings

In general, the participants in the small business energy loan program who responded to this survey have a very positive feeling about the 7(L) program. In their written comments, many took special pains to praise the concept behind the program, even when they sometimes had problems with how the program was being run. Their criticisms often seemed more to be directed against government in general rather than against this program in particular.

Two survey questions were intended to provide a direct reading on how the respondents feel about the 7(L) program. Question 9 asked, based upon the respondent's own experience in the program, would he/she recommend it to a friend. Question 10 asked respondents, if they had it to do all over again, would they again participate in the program. The replies to both questions were overwhelmingly favorable.

107 respondents answered Question 9. 88 (82%) said they would recommend the 7(L) program to a friend. 19 (18%) said they would not recommend the SBA program.

104 respondents replied to Question 10. Again, 88 (85%) replied positively, indicating that they would participate in the program again. 16 (15%) said they would not participate in the SBA program a second time.

As Question 9 offered a slightly larger negative response group, it was decided that the 19 questionnaires where respondents said that they would not recommend the 7(L)

program to friends would be studied carefully to see if they offered any clues to specific problems within the program. Essentially, this group includes most of those who answered in the negative to Question 10 as well. Of the 19 who said they would not recommend the program, 2 did not answer Question 10, 3 said they would participate again, and 14 said they would not. Only one person who said he would recommend the program to a friend said that he would not do it again himself.

As will be seen in the remainder of this report, the negative replies from Question 9 were analyzed in a variety of different ways to see if any common characteristics could be found. They tended to group around answers that indicated an unhappiness with bureaucracy, such as complaints about SBA rules limiting the use of the loans or that rules were difficult to understand. On most other items, including the length of time it took to get the loan and cooperativeness of SBA personnel, they were all over the lot.

No strong differences between regions became apparent in the course of this study. The small number who are negative about the program appear to be distributed across all the regions. There is at least one negative reply to Question 9 from each of the 9 regions, with no region having more than 6 negative replies, and the negatives never accounting for more than 30% of the respondents in any region.

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Businessmen Like 7(L)

For the most part, the businessmen who responded to this survey are enthusiastic about the 7(L) program. 85% said that, based upon their personal experience, they would participate in the program again. 82% said that, if a friend asked whether his/her firm should apply to the program, they would advise applying.

One respondent from the Great Lakes wrote:

> I am a Republican and a businessman. I may not support many Federal programs, but I have to state that I fully support SBA and the 7(L) program....The SBA 7(L) program is simply good business.

Another, from California, said:

> The $250,000 which we received was vital in carrying our company through a very difficult start up period and we are all extremely grateful....I strongly believe that the SBA has been instrumental in helping thousands of small businesses to "get over the hump." This has got to be beneficial to the country as a whole in furthering the economic well-being of all.

A respondent from Virginia echoed the sentiments of many when he wrote:

> Not only should the program be maintained, but it should be expanded. The economy's return on our SBA loan has been many fold.

Particularly among those who wrote letters in addition to completing the survey, this was a recurrent theme. Many participants took this opportunity to point out how many jobs their firms provided, how much tax they paid, etc. Clearly, they are proud of what they are doing and they want the Committee to know that they are putting the 7(L) money to good use.

A number of respondents, in their written comments, noted how crucial the SBA program was to the success of their firms. From around the country, we received comments like these: "Could not have made it without the SBA loan" and "For us it was survival" and "Without the loans we would not be in business."

The 7(L) program, like the SBA's regular lending program, is meant especially to help those who do not otherwise have access to private capital. One respondent in Florida wrote:

> The loan allowed us to expand when no outsiders would capitalize our ideas.

Another, in Northern California, added:

> The loan was crucial to the firm's survival since banks have been totally reluctant to fund firms in the alternative energy field.

Familiarity Breeds Content

While some bankers may have been reluctant to lend to 7(L) participants before they went to the SBA, it appears that the banking community was well aware of the small business energy loan program. When asked where they first heard about the program, the most common response (28%) was that they had heard about it from a banker.

The second most frequent response to Question 1 were that they had learned about it from the trade press (23%) or from a professional or trade association (10%). 14% of the respondents reported that they learned about the program directly from the local SBA field office and 1% from SBA's

national headquarters. These figures may be somewhat deceptive, though, as much of the information disseminated by bankers and through the trade groups may have originated at the SBA.

An interesting anomaly that shows up in this study is the fact that of the 16 respondents who were negative about the 7(L) program and who answered this question, none said tha initial information about the program had come from the SBA. This is the only response where they differed significantly from the general population of respondents (See Table 1) and suggests that some of their frustration with the program may stem in part from a lack of familiarity with the SBA and its ways.

TABLE 1

How did you first hear about the SBA energy loan program?

	would advise applying	would not advise	TOTAL
Trade Press	19	4	23
SBA Field Ofc.	14	0	14
SBA National	1	0	1
Prof'l/Trade Assoc.	7	3	10
Friend	12	3	15
Banker	23	4	27
Other*	6	0	6
Miscoded	2	2	4
TOTAL	84	16	100

*NOTE: Small Business Development Centers and Congressional Offices were each cited twice in this category.

One of those who was negative towards the program wrote from New York:

> Right from the beginning to this present date we have had nothing but problems and aggravation from this SBA program....I am as bitter over this situation as could be possible. Your program has damn near ruined my business.

Even some of those who are enthusiastic about the program gave the SBA some lumps. A respondent wrote from Illinois:

> Our overall experience has got to be characterized as positive....If the 7(L) program is to be criticized, it should be because the SBA regulations need to be modified.

Complaints About the SBA

The most frequently heard complaints about the way the 7(L) program is run revolve around how long the application took to be processed, how long it took to actually receive any money, and how much paperwork was involved. Also, there was some frustration over the complexity of the forms and there was considerable negative comment about restrictions the SBA placed on the use of the funds they provided.

From around the nation, we heard complaints about what a writer in California called "a jungle of paperwork." Some complained that much of the information they were required to provide seemed to have nothing to do with the loans they were seeking, and several suggested that the forms were so full of legal/governmental argot that a glossary of terms should be provided. These feelings were summed up by a writer from New England who endorsed the program but then

went on to note:

> ...typical government paperwork that was not readily understood. After moderate interpretation the forms were filled out and completed to the satisfaction of the SBA....In general, government and their forms are overly obtuse and don't appear to be directed toward obtaining pertinent information.

Several respondents noted that they had submitted more than an inch of forms in the course of applying to the SBA. Comments on many of the questionnaires indicate that bankers, accountants, lawyers and others were enlisted by program participants to help them fill out all the forms.

Processing Takes Too Long

Perhaps related to some of the complaints about the amount of paperwork is the large number of respondents who had negative comments about how long it took for the SBA to process the papers and to release money to them. A firm in Virginia, which otherwise was very positive about the program, said, "Progress was glacial; nothing prompt." And a correspondent in the Rocky Mountains added, "It takes too long to get the loan -- very discouraging."

Most of the respondents reported that it took between 3 and 6 months from the time they first applied to the time they received final approval from SBA. A few said they got approval within 1 or 2 months, but there also were some who reported waited as long as 17 or 18 months.

There does not appear to be any significant difference in the distribution of waiting times between those who are favorably disposed towards the program and those who are not.

Similarly, the turn-around times do not seem to vary greatly from one region to another.

It is interesting to note that several of those who indicated that they would recommend the 7(L) program to a friend added notes like this one from Minnesota: "...provided he isn't in a hurry or in a great need." This raises an important point mentioned by several respondents. They wanted to stress to the Committee the need for prompter turn-around on their applications. A Californian wrote:

> The time delay involved in a direct loan creates extreme hardship....Business and market climate can change significantly over a year for a small business and the long loan processing period can be debilitating.

Several writers from different parts of the country all offered a similar suggestion. They recommend more counseling from SBA before the applicant's paperwork is submitted, so the businessman who is new to the SBA does not lose a lot of time having to resubmit forms or furnishing supplemental data.

The respondents' mixed feelings about the value of the 7(L) program and the frustration of dealing with the government are summed up in this comment from a firm in the Upper Midwest: "Using the program requires patience and perseverance, but it is worth the effort."

General Satisfaction with SBA Services

Question 11 presented a series of questions designed to identify how the respondents felt about specific types of contacts they had had with SBA personnel. Some of the findings here are interesting.

82% of all respondents answered affirmatively to the

statement, "Officials at SBA were helpful to me when I applied." Even among those who would advise others not to apply to the program, 62.5% responded "yes" to this question. No region got less than a 63% affirmative response.

Criticism rose slightly on the next question, which asked if the local SBA office had enough information on hand explaining the 7(L) program. 61% of the total population said their SBA office had enough information, and 53% of those in the negative subset also said enough information was available. Moreover, comments on some of the questionnaires suggest that these figures will improve as the program grows out of its infancy. Several writers noted that they were the first applicants in their areas and that they had to inform the local SBA office about the program.

The next question asked if the material provided by SBA gave all the information the applicant needed to know about the 7(L) program. Table 2 shows the sharp differences of opinion that exist on this question. While 57% of those who would recommend participation in the program felt the information provided was adequate, 65% of those with negative feelings about the program felt the information was inadequate.

TABLE 2

SBA-provided material told all that I needed to know

	would advise applying	would not advise	TOTAL
YES	47	6	53
NO	36	11	47
TOTAL	83	17	100

Results were less clear for the question of whether or not SBA officials helped when problems regarding the loan or guarantee arose. 23% of those who would recommend the program to a friend said that SBA officials had not helped, and 44% of those who had negative recommendations similarly said they had not been helped. The low response rate for this question and various written comments suggest, however, that the wording of this question was not very good.

The next question yielded much clearer results. Asked whether or not SBA rules made it hard to use the funds, 71% of those who would recommend the program answered negetively. On the other hand, 65% of those who were negative about the program said that SBA rules had interfered with use of the funds. See Table 3.

TABLE 3

SBA rules made it hard to use the loan or guarantee

	would advise applying	would not advise	TOTAL
YES	24	11	35
NO	60	6	66
TOTAL	84	17	101

A similar reversal of opinion occurs on the final question in this set. The questionnaire asked if SBA procedures were adequately explained to program participants. 69% of those who would recommend the program answered "yes" to this question, but 62.5% of those with negative feelings answered "no". See Table 4.

TABLE 4

SBA procedures were well explained

	would advise applying	would not advise	TOTAL
YES	55	6	61
NO	25	10	35
TOTAL	80	16	96

SBA Terms Are Too Restrictive

As the responses to these last two questions show, program participants who have negative feelings about the 7(L) program seemed to have a disproportionate amount of bad experiences with SBA rules and regulations regarding use of the funds they obtained through the program. However, a reading of the written comments submitted by the respondents shows that dissatisfaction on this point is broader than those numbers suggest. Many writers seemed particularly irked by three SBA requirements in particular.

First, a number of respondents complained about the funds being restricted so that no more than 25% of the money could be used for working capital. Several noted that they came to SBA for help in going from R&D to marketing of new products and that they needed greater flexibility in using the money for advertising and promotion.

Second, many respondents complained about the SBA's policy of making funds available only as itemized reimbursements after the borrower could show that the money had been spent as intended. Several felt this was counter-productive, forcing them to borrow twice for the same purpose. A firm in Iowa wrote:

> Once we had made the commitment to build and started construction (with SBA approval) the SBA would not distribute funds until the structure was complete. If not for interim financing, this SBA retraction would have meant bankruptcy.

A company in California recounted similar problems and returned to a familiar theme:

> Once the loan was funded, we had a terrible time receiving funds. It would take 3-4 weeks to get the checks and it seemed we were documenting all over again why we needed the money. Way too much paperwork.

Third,we had one respondent who said his firm had received the full amount of the loan from the SBA at prime interest rates and then was required to place it in a restricted savings account, earning passbook interest rates and with cash being disbursed by the bank only on a reimbursement basis. This created the double indignity of having the restrictions on the availability of the funds plus suffering from bad cash management.

A respondent in the South complained:

> There was this connotation that we were not to be trusted with the money once it was loaned. (The bank monitoring the account even though it was amply secured.) What we are trying to say is that there needs to be more flexibility on the part of the SBA....If the SBA is small business oriented, then help the small businessman.

SBA Is Too Conservative

From this general frustration with SBA and its ways of doing business, we can move to a few comments specifically referring to the energy loan program. Several writers were unhappy because the 7(L) program had been promoted as a vehicle for encouraging small firms to get into a new, high technology field, yet the SBA seems to be overly cautious in awarding loans and guarantees. Several writers felt

the requirements for personal collateral being posted by the borrowers were too stringent and others felt the SBA was too reluctant to underwrite new technologies.

A writer in Arkansas said:

> We feel honestly that the Direct Energy Loan Program did not reach the majority of people it was intended to help, people with a slightly different (then deemed unorthodox) method of energy conservation, willing to try something new, not just storm windows and doors.

Another respondent, this one in Colorado, was more to the point. He wrote:

> From the outset SBA loan officers treated the energy loan like any other loan arrangement despite the high risk of entering the solar marketplace compared to a conventional established industry. SBA required that I guarantee the direct loan with my home as collateral....In effect, I have taken a great risk in solar rather than the government.

Several writers said that they received little or no help from SBA <u>after</u> they received the energy loan or loan guarantee. They felt that SBA should have been aware of their need for counseling, because they had sought the money to enter new business ventures.

One respondent complained that he had repeatedly asked for post-award counseling and had never received a response. Several others expressed the feeling that SBA should behave more like a partner and less like a banker. And many added notes expressing their disappointment at the federal government's recent and sudden change in direction, moving away from its previous commitment to promote the use of alternative energy.

Program Needs Improvement

The last set of discreet questions in the survey was designed to find out if 7(L) program participants felt that the SBA actually supported the program. For the most part, they felt that the SBA does support the program, although they seemed to feel that SBA support was greater at the local level than at the national. There also was very strong agreement that the program could stand improvement.

Asked if SBA officials strongly support the 7(L) program, 57 out of 92 respondents (62%) answered "yes". Only 72 respondents answered the question of whether or not they felt that local SBA officials working on 7(L) are well-supported by SBA's national management; 46% said "yes" and 54% said "no".

On one point there was clear agreement. 74% of all respondents agreed with the questionnaire's statement that improvements are needed in the way the small business energy loan program is administered. Reading this in the context of the other data gathered in this survey, though, produces the feeling that complaints about policy and procedures are much stronger and more prevalent than those about operational details.

V. FINDINGS AND RECOMMENDATIONS

From the information gathered in this survey, certain conclusions are fairly obvious. Those who are in the small business energy loan program generally like it, and those program participants who do not like it generally appear to be most frustrated with the paperwork and regulations that have been attached to the program by the SBA.

The Small Business Administration itself is seen as being supportive of the program, although some of the administrative requirements the agency has imposed may tend to get in the way of the program being as effective as it could be. The chief complaints about the SBA's handling of the 7(L) program relate to basic policies and regulations, rather than to any major administrative shortcomings.

There do not appear to be any significant variations in survey results from one administrative region to another. On virtually every question, the replies were fairly evenly distributed across the whole country, suggesting that central management of the program is adequate.

Based upon the data gathered in this survey, the following recommendations for improvement of the small business energy loan program are made:

1. The paperwork burden must be reduced. Criticism about the sheer volume of paperwork, how long it takes to complete, and how complicated the forms are constitute the most common group of complaints about the 7(L) program. Respondents' comments about the difficulty of understanding the language used in

some of the forms are particularly disturbing, as this particular problem is so easily remedied. Efforts should be undertaken immediately to simplify both the forms and the language used in them.

2. Provide applicants with better information up front. Those who were unhappy with the program were strongest in their criticism of the information provided to them by the SBA. The survey results suggest that better informational brochures about the program would be helpful, as would be better counseling of new applicants regarding what to expect from the program.

3. There should be fewer restrictions on use of the funds made available by SBA. Too many restrictions are being placed on the funds being made available to entrepreneurs starting up new businesses in a new field. Each loan is secured with ample collateral, so the borrowers should be allowed greater freedom in using their business judgment in the use and management of the funds.

4. More post-award counseling is needed. Rather than locking in rigid sets of terms and conditions for the use of funds before the loans are made, the SBA should provide better counseling for firms after they have entered the program. This would enhance the prospects for the success of the firm and repayment of the loan as well as providing the participant with greater flexibility.

5. The SBA should take more risks. With many reported instances of the SBA imposing very steep requirements for collateral, limiting the use of the loans, and shying away from the more exotic of the new energy technologies, the agency appears to be less than aggressive in meeting its legislative mandate to help propel small businesses into the vanguard of an emerging new industry. Complaints about energy loans being treated like all other SBA loans suggest that the message still has not sunk in completely that the 7(L) program is supposed to be different. P.L. 95-315 requires the SBA to take more risks in lending under this program, and the agency should do more to foster the special character of this program.

Finally, it should be noted that 58 firms the SBA says are in the 7(L) program are unaccounted for. The House Small Business Subcommittee on Energy has asked the SBA to advise them as to what has become of these firms. That information may provide the basis for further analysis of the small business energy loan program.

Appendix A Sample Questionnaire

Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Id. No. _ _ _ (1-3)

QUESTIONNAIRE

ON THE

SMALL BUSINESS ADMINISTRATION'S

ENERGY LOAN PROGRAM

The House Small Business Committee plans to hold oversight hearings on the operation of the Small Business Administration's Energy Loan Program. As a participant in the program, we are relying on you to provide us with information and insights about how the program is working. Please help us by answering the questions on the next two pages and using the back page to give us your ideas about the effectiveness of the program. In the current period of budgetary stringency, it is important to make sure that government programs are responsive to the needs of those who use them. Please feel free to share your experiences regarding the SBA Energy Loan program with us.

The staff of the subcommittee will prepare a report based on your answers. If you provide an address, we will send you a copy.

Person Completing this Questionnaire _____

Company Name _____

Street Address _____

City and State _____

Zip Code _ _ _ _ _ (4-8)

Office Telephone Area Code: (_ _ _) Phone Number: _ _ _ - _ _ _ _

BEST AVAILABLE COPY

Q1. [illegible] about the SBA energy loan program? (Circle the number next to your answer.)

1. I READ ABOUT IT IN THE TRADE PRESS
2. A PERSON AT THE SBA FIELD OFFICE TOLD ME ABOUT IT
3. A PERSON AT THE SBA NATIONAL HEADQUARTERS TOLD ME ABOUT IT
4. A PROFESSIONAL OR TRADE ASSOCIATION SENT ME INFORMATION ABOUT IT
5. I WAS TOLD ABOUT IT BY A FRIEND
6. I WAS TOLD ABOUT IT BY A BANKER (9)

7. OTHER (Please explain) _____ __ __ (10-11)

Q2. Did you receive a loan or a loan guarantee? (Circle the number next to your answer.)

1. LOAN
2. LOAN GUARANTEE (12)
3. NEITHER
4. BOTH

Q3. Do you have more than one loan or loan guarantee? (Circle the number next to your answer.)

1. MORE THAN ONE (13)
2. ONE

Q4. When did you first apply for your loan or loan guarantee?

MONTH _____ YEAR _____ __ __ __ __ (14-17)

Q5. When did you receive final approval from the SBA?

MONTH _____ YEAR _____ __ __ __ __ (18-21)

Q6. How much did you apply for originally?

$ __,__ __ __,__ __ __ .00 (22-28)

Q7. How much was approved by SBA?

$ __,__ __ __,__ __ __ .00 (29-35)

Q8. To date, how much have you used?

$ __,__ __ __,__ __ __ .00 (36-42)

Q9. Based on your own experience with this program, if a friend asked you whether his firm should apply to participate, what would you advise him to do? (Circle the number next to your answer.)

1. I WOULD ADVISE HIM TO APPLY (43)
2. I WOULD ADVISE HIM NOT TO APPLY

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Q10. Based on your experience with this program, if you had it to do over again, what would your own decision be? (Circle the number next to your answer.)

1. I WOULD PARTICIPATE IN THE PROGRAM
2. I WOULD NOT PARTICIATE IN THE PROGRAM (44)

Q11. How would you rate the work of the SBA in providing the loan or loan guarantee to your business? Do the following statements describe the way you were served by SBA's officials?

	Does it describe the way you were served? Circle your answer.	
1. Officials at SBA were very helpful to me when I applied.....	YES	NO
2. Officials at the local SBA office did not have enough information about the loan program.....	YES	NO
3. The material provided to me by the SBA told me all that I needed to know about the program.....	YES	NO
4. SBA officials did not help me when I had a problem regarding the loan or loan guarantee.....	YES	NO
5. SBA rules made it hard for me to use my loan or loan guarantee.....	YES	NO
6. SBA procedures were fully and expertly explained so that I could easily use my loan or loan guarantee.....	YES	NO

Q12. From your dealings with the SBA we would like your assessment of the agency's support for the loan program. Do you agree or disagree with the following statements regarding the agency's activities?

	Do you Agree or Disagree? Circle your Answer.		
1. SBA officials strongly support this program.....	AGREE	DISAGREE	(5
2. Improvements are needed in the way the program is administered.....	AGREE	DISAGREE	(5
3. Local SBA officials working on the Energy Loan and Loan Guarentee program are well supported by SBA's national management.....	AGREE	DISAGREE	(5

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Q13. Please give a brief description of the activity that is being supported by your SBA energy loan or loan guarantee?

Q14. Have you had any problems applying for and using your SBA energy loan or loan guarantee? Were you fairly, courteously and promptly helped?

Q15. Do you have any suggestions regarding ways the program could be improved?

THANK YOU VERY MUCH FOR YOUR HELP.

Please return the completed questionnaire in the envelope provided or mail it to:

Hon. Berkley Bedell, Chairman
Small Business Subcommittee on Energy,
U.S. House of Representatives,
2440 Rayburn Building
Washington, D.C. 20515

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